

THIS ISSUE

Hospital Outpatient Prospective Payment System Device Pass- Through Payment Update

TO:

Hospitals paid under the
Outpatient Prospective Payment
System

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Purpose

This Provider Bulletin notifies hospitals, receiving payment under the Outpatient Prospective Payment System, of changes to the payment method for device pass-throughs.

The previous acquisition-cost policy was described in the Provider Bulletin 01-13 *Hospital Outpatient Prospective Payment System*.

Effective for hospital outpatient services provided on or after April 1, 2002, the department pays for pass-through devices using a professional fee schedule or, if no professional fee schedule exists, a hospital-specific Percent of Allowed Charges (POAC) factor.

What constitutes a pass-through device?

A transitional pass-through device is an item accepted for payment as a new, innovative medical device by the Center for Medicare and Medicaid Services (CMS) where the cost of the new device has not already been incorporated into an Ambulatory Payment Classification.

How will the department pay for pass-through devices?

Hospitals will be paid fee schedule or, if no fee schedule exists, a hospital-specific percent of allowed charges (POAC) for new or current pass-through devices.

What are the documentation requirements?

There are no documentation requirements for pass-through items. The previous submittal of a wholesale invoice is no longer required for pass-through items.

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